

Growthpoint Properties Australia (ASX Code: GOZ)

Purchase of Erskine Park Portfolio

24 December 2012

Growthpoint Properties Australia Trust ARSN 120 121 002
Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409

Proposed new building at 27-49 Lenore Drive, Erskine Park, NSW



GROWTHPOINT
PROPERTIES

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Glossary & Disclaimer

Balance Sheet Gearing	borrowings divided by total assets
cps	cents per stapled security
deps	distributable earnings per stapled security
dps	distributions per stapled security
GOZ or Group	Growthpoint Properties Australia comprising Growthpoint Properties Australia Limited, Growthpoint Properties Australia Trust and their controlled entities
GRT	Growthpoint Properties Limited of South Africa (which holds 65.3% of GOZ at 30 November 2012)
FY2013	the 12 months ending 30 June 2013
WALE	weighted average lease expiry
WARR	weighted average rent review
WACR	weighted average capitalisation rate
SFA	Syndicated Facility Agreement between GOZ, National Australia Bank, Westpac Banking Corporation and Australia and New Zealand Banking Group dated 5 August 2009 (as amended)

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All references are in Australian dollars, locations and legislation, as applicable, except where otherwise stated.

Transaction Overview

- GOZ has entered transaction documents for the acquisition of three adjoining industrial properties in Erskine Park, NSW for a total purchase price of \$104.7 million before costs at an average initial yield of approximately 8.07%. The vendors are associated with Linfox (one of Australia's largest logistics and supply chain groups).
- Two properties comprise existing offices, warehousing, truck maintenance and storage facilities and are income producing. The third property comprises vacant land on which a new pharmaceutical warehouse will be developed. Practical completion is expected in August 2013 and Linfox Property Group is the developer.
- The properties will all be leased to Linfox Australia Pty Ltd, with lease terms of 7, 10 and 15 years for the distribution warehouse, pharmaceutical warehouse and the truck maintenance facilities, respectively, and have a combined weighted average lease expiry (by rent) of 10 years.
- The acquisition of these properties will be funded through sale proceeds from the sale of the Group's property at 134 Lillkar Road, Goulburn NSW, the December 2012 half year Distribution Reinvestment Plan (which GRT has committed to take-up) and existing debt facilities.



Properties to be purchased at Erskine Park, NSW

Property Summaries

USE	Pharmaceutical warehouse	Truck facility	Warehouse	Total / Ave.
STATUS	To be constructed	Existing building	Existing building	N/A
ADDRESS	27-49 Lenore Lane	51-65 Lenore Lane	6-7 John Morphett Place	N/A
BUILDING AREA (GLA) M ²	29,055	3,720	24,881	57,656
SITE AREA M ²	71,410	41,790	82,280	195,480
CONSTRUCTION COMPLETED	To be constructed	2011	2007	N/A
NET PROPERTY INCOME	\$3,700,000	\$1,793,768	\$2,952,438	\$8,446,206
LEASE TERM YEARS	10.0	15.0	7.0	10.0
ANNUAL RENT REVIEWS	CPI	CPI	CPI	CPI
OUTGOINGS	Paid by lessee	Paid by lessee	Paid by lessee	<i>Paid by lessee</i>
GOZ PRICE	\$46,250,000	\$22,500,000	\$35,950,000	\$104,700,000
INITIAL YIELD	8.00%	7.97%	8.21%	8.07%
INDEPENDENT VALUATION	\$46,250,000 ¹	\$22,500,000 ²	\$35,950,000 ²	\$104,700,000

1. On completion.

2. The independent valuation for the truck facility and warehouse was prepared as one figure of \$58,450,000 and has been separated by purchase price for ease of reference.

Strategic rationale

PREMIER INDUSTRIAL LOCATION

Erskine Park in western Sydney houses several major corporate tenants
Excellent access to the M4 and the M7 Motorways
The locality is benefitting from on-going infrastructure upgrades

MODERN LOGISTICS IMPROVEMENTS

Completion in 2008, 2011 and 2013 (for the to be built pharmaceutical warehouse) of modern buildings, purpose built for logistics

OUTSTANDING CORPORATE TENANT

Linfox is Australia's largest privately owned logistics group
See www.linfox.com. Properties being acquired include the Linfox Head Office for NSW. Relationship with Linfox may provide additional investment opportunities

SECURITY OF INCOME

Long WALE of 10 years

LIQUIDITY

The properties could be sold together or separately as on three separate freehold titles

REWEIGHT NSW INDUSTRIAL EXPOSURE

Sell regionally located Goulburn property and reinvest in Erskine Park

Funding

- Utilising net proceeds of sale of Goulburn property (announced on 24 December 2012) for \$71.5 million provides the bulk of funding
- Continuation of the successful DRP program, where equity has been raised above NTA per security. Growthpoint Properties Limited of South Africa has committed to take-up its DRP entitlement for the December 2012 Half Year distribution
- Use \$15.3 million of headroom under existing debt facilities (to be included in SFA)
- Income producing assets plus the land for the pharmaceutical warehouse will be settled in February 2013 for a total price of \$78.1 million. GOZ will make a development fee payment of \$26.7 million upon practical completion of the pharmaceutical warehouse. GOZ receives an 8.5% per annum coupon on its land acquisition until practical completion of the pharmaceutical warehouse

SOURCE OF FUNDS

	\$m
<i>Sale of Goulburn</i>	71.5
<i>DRP proceeds</i>	22.9
<i>Existing debt headroom</i>	15.3
TOTAL	109.7

APPLICATION OF FUNDS

	\$m
<i>Settlement of properties</i>	78.1
<i>Development fee payment</i>	26.7
<i>Acquisition costs</i>	4.9
TOTAL	109.7

Impact on GOZ

FINANCIAL

- **FY2013 DPS:** 18.3 cps (*no change on previous guidance*)
- **FY2013 DEPS:** 19.0 - 19.4 cps (*previous guidance of 19.4 - 19.8cps*)
- **Balance Sheet Gearing:** 50.5% (*down 0.2%*)
- **NTA:** \$1.94 (*up 0.5%*)

PORTFOLIO

- **WALE:** 7.1 years (*+0.1 years*)
- **WARR:** 3.2% (*no change*)
- **Total property assets:** 43 (*increased by two*)

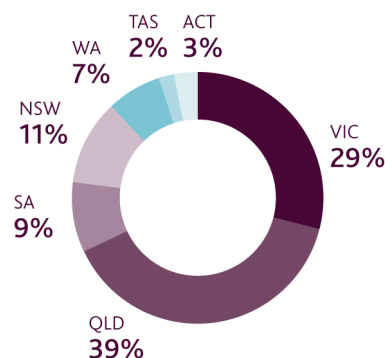
KEY TENANTS

post transactions

Woolworths Limited	28%
GE Capital Finance Australasia	7%
Commonwealth of Australia	5%
Linfox	5%
Sinclair Knight Merz	4%
Energex	3%
Star Track Express	3%
Runge Limited	2%
Fox Sports	2%
Downer Mining	2%
TOTAL TOP TENANTS	61%

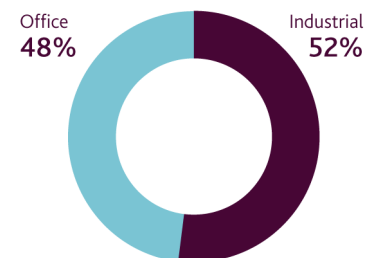
GEOGRAPHIC DISTRIBUTION

by property value, post transactions



SECTOR DISTRIBUTION

by property value, post transactions



Conclusion

- GOZ has again demonstrated its ability to acquire properties which provide security holders with a stable and growing income stream
- Selling an asset (at above book value) and using the proceeds to acquire better located properties demonstrates GOZ's focus on increasing the quality of its property portfolio whilst also maintaining distributions for securityholders
- GOZ seeks to repeat its success in funding developments, providing new buildings with long leases and reducing acquisition costs
- GOZ is pleased to welcome Linfox as a major tenant and looks forward to developing this association



Proposed new building at 27-49 Lenore Drive, Erskine Park, NSW

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